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6 **IN THE UNITED STATES DISTRICT COURT**
7 **FOR THE DISTRICT OF ARIZONA**
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9 RB Distribution Incorporated, et al.,

10 Plaintiffs,

11 v.

12 Skyward Automotive Products LLC, et al.,

13 Defendants.
14

No. CV-23-01068-PHX-GMS

ORDER

15
16 Pending before the Court are Defendant Skyward Automotive Products, LLC's
17 ("Skyward Automotive") Motion to Dismiss and Certification of Counsel of Pre-Motion
18 Conferral (Doc. 19), Defendant Skyward Automotive's Motion to Stay Pending *Ex Parte*
19 Reexamination of the Patents in Suit by the United States Patent and Trademark Office
20 (Doc. 20), and Defendant Ningbo Skyward Industrial Co. LTD.'s Motion to Dismiss
21 Pursuant to Fed. R. Civ. P. 12(b)(2) (Doc. 31). For the reasons detailed below, Defendant
22 Skyward Automotive's Motion to Stay is granted. The remaining Motions to Dismiss are,
23 thus, not considered.

24 **BACKGROUND**

25 This case is a civil action for patent infringement of three U.S. patents: 11,635,005
26 ("005 Patent"), 11,639,674 ("674 Patent"), and 11,639,675 ("675 Patent"). (Doc. 1 at
27 2). RB Distribution, a wholly owned subsidiary of Dorman Products, Inc. (collectively
28 "Plaintiffs") allege that Defendants—Skyward Automotive and Ningbo Skyward Industrial

1 Co. Ltd.—have infringed on each of Plaintiff’s three at-issue patents. (*Id.* at 2–3; 10–17).

2 Plaintiffs are suppliers of replacement and upgrade vehicle parts. (*Id.* at 3). The
 3 patents at issue in this case all involve one product line: an aluminum engine oil filter
 4 housing, identified as Dorman’s SKUs 926-959. (*Id.* at 4; 7–9). Plaintiffs state they began
 5 marking the relevant products as “patent pending” at least as early as the products’ launch
 6 dates. (*Id.* at 9). They further allege Defendants had actual notice of the asserted patents
 7 since, at least, June 2, 2023. (*Id.* at 9). Plaintiffs allege three claims of patent infringement,
 8 one for each patent. (*Id.* 10–17). According to Plaintiffs, Defendants market and sell
 9 products that infringe on all three of the relevant patents. (*Id.*).

10 Defendant Skyward Automotive seeks a stay in this case based on the USPTO’s
 11 pending *ex parte* reexaminations of the three patents. (Doc. 20 at 1–3). On the date the
 12 Motion was filed, only one of three patents had been granted a reexamination. (Doc. 20-5
 13 at 4). On September 26, 2023, six days after Defendant Skyward filed its reply to its
 14 Motion to Stay, Defendant Filed a Notice Regarding USPTO Decisions Granting
 15 Reexamination Requests (Doc. 26), which indicated the USPTO granted reexaminations
 16 for the remaining two patents. (Doc. 26-1 at 4; Doc. 26-2 at 4).

17 DISCUSSION

18 I. Legal Standard

19 “A court’s power to stay proceedings is incidental to the power inherent in every
 20 court to control the disposition of the causes on its docket with economy of time and effort
 21 for itself, for counsel, and for litigants. In deciding how best to exercise this inherent
 22 power, the court must weigh competing interests and maintain an even balance.” *Parsons*
 23 *Xtreme Golf LLC v. Taylor Made Golf Co.*, No. CV-17-03125-PHX-DWL, 2018 WL
 24 6242280, at *3 (D. Ariz. Nov. 29, 2018) (quoting *Drink Tanks Corp. v. GrowlerWerks,*
 25 *Inc.*, No. 3:16-cv-410-SI, 2016 WL 3844209, at *2 (D. Or. July 15, 2016)). Courts
 26 generally consider three factors when granting or denying a stay pending a patent
 27 reexamination: “(1) whether a stay will simplify the issues in question and trial of the case;
 28 (2) whether discovery is complete and whether a trial date has been set; and (3) whether a

1 stay would unduly prejudice or present a clear tactical disadvantage to the nonmoving
 2 party.” *Medicis Pharm. Corp. v. Upsher-Smith Lab ’ys, Inc.*, 486 F. Supp. 2d 990, 993–94
 3 (D. Ariz. 2007). This is a totality of the circumstances analysis guided by a “liberal policy”
 4 in favor of granting a stay. *Id.*

5 **II. Analysis**

6 After considering the three factors, the Defendant’s Motion to Stay is granted.

7 **A. Stage of Litigation**

8 When considering the stage of litigation, courts look to whether discovery is
 9 complete and trial date has been set. *Parsons Xtreme Golf LLC*, 2018 WL 6242280, at *4;
 10 *Drink Tanks Co.*, 2016 WL 3844209, at *2. “Generally, the time of the motion is the
 11 relevant time to measure the stage of litigation.” *Parsons Xtreme Golf LLC*, 2018 WL
 12 6242280, at*4 (quoting *VirtualAgility Inc. v. Salesforce.com, Inc.*, 759 F.3d 1307, 1317
 13 (Fed. Cir. 2014)).

14 This factor weighs in favor of a stay. Discovery has not yet commenced in this
 15 matter, much less completed. No trial date has been set. Considering the liberal policy in
 16 favor of granting a stay, this factor weighs in favor of granting Defendant’s request. Should
 17 this case resume, the Court can open discovery and proceed on a normal course.

18 **B. Simplification of Issues**

19 This factor, too, weighs in favor of a stay. There are three patents at issue in this
 20 case. As of September 26, 2023, all three patents are under reexamination. Staying a case
 21 pending reexamination could tailor the issues at trial, or potentially eliminate the need for
 22 trial altogether. While the parties assert contrary probabilities that the reexamination will
 23 narrow any, or even all, claims, with all three patents under reexamination the potential
 24 value of issue simplification is relatively high. This is especially true considering the early
 25 stage of litigation. As such, this factor also weighs in favor of a stay.

26 **C. Undue Prejudice to Plaintiffs**

27 The final factor is whether a stay would be unduly prejudicial or “present a clear
 28 tactical disadvantage” to the non-movant. *Drink Tanks Co.*, 2016 WL 3844209, at *5.

1 While delay alone does not create undue prejudice, courts should be skeptical of tactics
 2 designed to slow a pending matter. *See Parsons Xtreme Golf LLC*, 2018 WL 6242280, at
 3 *6 (listing certain sub-factors for the prejudice factor as “(1) the timing of the [the
 4 reexamination] request; (2) the timing of the request for stay; (3) the status of [the
 5 reexamination] proceedings; and (4) the relationship of the parties”) (quoting *GoPro, Inc.*
 6 *v. C&A Mktg., Inc.*, 20174 WL 2591268, at *4 (N.D. Cal. 2017)). Where parties are
 7 competitors, undue prejudice resulting from a stay can be shown where money damages
 8 and later injunctive relief would be insufficient to make the non-movant whole. *See id.*

9 Plaintiff is not subject to undue prejudice. While it is no doubt true that granting a
 10 stay delays the civil action, there is no indication that Plaintiff, if ultimately successful,
 11 cannot be adequately made whole by money damages.


12 CONCLUSION

13 Based on the foregoing factors, a stay is appropriate in this case.

14 Accordingly,

15 **IT IS THEREFORE ORDERED** Defendant Skyward Automotive Products,
 16 LLC’s Motion to Stay Pending *Ex Parte* Reexamination of the Patents in Suit by the United
 17 States Patent and Trademark Office (Doc. 20) is **GRANTED**. Nevertheless, Plaintiff shall
 18 notify the Court promptly after any of the reexaminations are finished and will inform the
 19 Court of the result of that or those reexamination(s).

20 Dated this 9th day of April, 2024.

21 
 22 G. Murray Snow
 23 Chief United States District Judge